

## **PROPOSAL: MULTIFIBER TRADE AGREEMENTS AND QUALITY OF U.S. IMPORTS**

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The purpose of this project is to study the impact of multi-fiber trade agreements on prices and quality of imports of garments into the U.S. The project is data-intensive and requires the merge of data from three different sources for the past two decades: US imports at a disaggregate product level, US quotas on textiles by country of origin, and proxies of costs in each country of origin. With these data we will be able to estimate structural demand functions for differentiated products and to derive a quality index.

The research assistant will help us with data gathering and cleaning and with programming. Experience with STATA is desired but not essential.

### **SUMMARY**

**Milosz Gudzowski, Class of 2006**

The purpose of the project was to determine the restrictiveness of import quotas as part of the Multifiber Trade Agreement and if that impacted the quality of US imports. This required merging import data from various sources, determining if quotas actually restricted the imports, and deciding if the quality of imports was affected. 1972 to 2001 is the time span this project covers. During the summer, we were in the earliest phases of research, so a conclusion has not been drawn yet.

My task was to lay the groundwork for the research. I sought magazine articles, journal articles, and books that covered MFA. I also organized the data using STATA statistical software. This was the most arduous task, as it involved manipulating data sets, sometimes manually, that contained hundreds of thousands of entries.

I learned how to use many useful research tools. I took advantage of the Yale University library, and became familiar with the social sciences library. I also learned how to effectively use several journal and magazine databases on the Yale website. However, learning how to use STATA is what I will remember best. It is a difficult but very necessary tool for any sort of econometrics research.

My opinion of the ROME experience is 100% positive. My professors were great, and it was very nice of them to accommodate my schedule during the summer. I learned of many great research tools which will help me in writing my senior paper. It is an excellent program that I recommend to all economics majors.